

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in doubt** as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in Far East Holdings International Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**DISCLOSEABLE TRANSACTION**

---

This circular is provided for the information of the shareholders of Far East Holdings International Limited only.

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	3
Subscription Shares .....	4
Subscription Price .....	4
Information on First Holdings .....	4
Reasons for the transaction .....	5
General .....	5
Additional Information .....	6
<b>Appendix – General Information</b> .....	7

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Board”	the board of directors of the Company
“Company”	Far East Holdings International Limited a company incorporated in Hong Kong, whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“First Holdings”	First Holdings Consortium Ltd
“First Holdings Shares”	ordinary shares of US\$1 each in the share capital of First Holdings
“First Credit”	First Credit Limited, a private company incorporated in Hong Kong and is a wholly owned subsidiary of First Holdings
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 May 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Subscribers”	subscribers other than Power Profit, of the First Holdings Shares pursuant to the Shareholders Agreement
“Power Profit”	Power Profit Far East Limited, a company incorporated in Hong Kong and is a wholly owned subsidiary of the Company
“Shareholders Agreement”	The shareholders agreement dated 27 April 2007 entered into between First Holdings, Power Profit and the Other Subscribers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	The subscription of the Subscription Shares by Power Profit
“Subscription Date”	27 April, 2007
“Subscription Price”	HK\$15,000,000 to be paid on the Subscription Shares

---

## DEFINITIONS

---

“Subscription Shares”	1,923,076 new ordinary shares in the issued share capital of First Holdings subscribed by Power Profit
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States Dollars, the lawful currency of the United States of America

---

## LETTER FROM THE BOARD

---



# 遠東控股國際有限公司

## Far East Holdings International Limited

*(Incorporated in Hong Kong with limited liability)*

Website: <http://www.feholdings.com.hk>

(Stock Code: 36)

*Executive Directors:*

Deacon Te Ken Chiu, *J.P.* (Chairman)

Mr. Duncan Chiu

*(Managing Director and Chief Executive Officer)*

Mr. Dennis Chiu

*Registered office:*

16th Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

*Non-executive Directors:*

Tan Sri Dato' David Chiu

Mr. Daniel Tat Jung Chiu

Mr. Derek Chiu

Mr. Desmond Chiu

Ms. Margaret Chiu

Ms. Min Tang

*Head office and principal place of  
business:*

Room 1802-1804, 18th Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

*Independent non-executive Directors:*

Dr. Lee G. Lam

Mr. Ryan Yen Hwung Fong

Mr. Hing Wah Yim

23 May 2007

*To the Shareholders*

Dear Sir or Madam,

## DISCLOSEABLE TRANSACTION

### INTRODUCTION

The Board announces that on 27 April 2007, the Shareholders Agreement was entered into between First Holdings, Power Profit and Other Subscribers. Pursuant to the Shareholders Agreement, each of the subscribers irrevocably subscribes for and undertakes to fully pay up new First Holdings Shares. The Shareholders Agreement also sets out the terms governing the management of the Company and to regulate the respective rights and obligations of the shareholders in First Holdings.

---

## LETTER FROM THE BOARD

---

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, First Holdings and Other Subscribers and their ultimate beneficial owners (as the case may be) are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

### SUBSCRIPTION SHARES

On the Subscription Date, a total of 12,948,717 new First Holdings Shares were issued and allotted to Power Profit and Other Subscribers. The Subscription Shares represent approximately 14.85% of the enlarged issued share capital of First Holdings as at the Subscription Date after the Subscription together with the subscriptions by Other Subscribers.

The Subscription Shares will rank *pari passu* in all respects with the First Holdings Shares in issue, including the right to any dividends or distributions.

### SUBSCRIPTION PRICE

The Subscription Price of HK\$15,000,000 is determined after arm's length negotiation between Power Profit and First Holdings. The Subscription Price is approximately at HK\$7.80 per share at par value of First Holdings.

The Subscription Price will be satisfied by the internal resources of the Group. Of the Subscription Price, HK\$1,500,000 was paid on the Subscription Date and the balance of HK\$13,500,000 is payable on call.

Pursuant to the Shareholders Agreement, no shareholder of First Holdings shall dispose of or permit or suffer a transfer of the whole or any part of its shares held by it or any interest therein without the approval in writing of the majority shareholders made by a majority vote over 50% of the shareholders in the shareholders' meeting of First Holdings.

### INFORMATION ON FIRST HOLDINGS

First Holdings is a limited liability company organized under the law of British Virgin Islands with an authorized capital of US\$300,000,000 divided into 300,000,000 shares of US\$1 each and the existing share capital is US\$1 with one issued share.

First Holdings currently holds 100% shareholding in First Credit which is a limited liability company organized under the laws of Hong Kong and is engaged in the principal business of money lending and the provision of credit such as personal loans, mortgage loans, car loans and the provision of any other forms of credit. First Credit was incorporated in Hong Kong and has not yet commenced any business. It is now in the process of obtaining the licenses required for the business of money lending and the provision of credits and pending regulatory approval from the relevant departments such as Companies Registry, Police Licensing Office and Licensing Court.

First Holdings intends to use the proceeds from the subscription of the new First Holdings Shares pursuant to the Shareholders Agreement for the working capital of First Credit.

---

## LETTER FROM THE BOARD

---

First Holdings and First Credit have not yet commenced any business and do not have any profit generated and no major assets and liabilities. Its existing net asset value is at US\$1.00.

### REASONS FOR THE TRANSACTION

The Company acts as an investment holding company. The principal activities of the Group are manufacturing and trading of garment, investment in properties for rental purpose, property development and investment in securities.

The Group has been looking for suitable investment opportunities in order to broaden its income source. The Directors consider the Subscription as an attractive investment opportunity because the Directors believe that the return of financing business will remain promising in the near future and is in the interest of the shareholders of the Company.

The Directors consider that the Subscription has been made on normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the Subscription is in the interest of the Company and the Shareholders as a whole.

### GENERAL

The Subscription constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

The investment of 14.85% of First Holdings will be treated as long term investment of the Company and will not be equity account for as an associate. The Subscription has no material effect on earnings and assets and liabilities of the Company.

Mr. Sin Kwok Lam who is well experience in money lending and the provision of credit business, will be appointed as the managing director of First Holdings and First Credit.

---

## LETTER FROM THE BOARD

---

Other Subscribers, their percentage of shareholdings and principal business activities are stated as follows:

<b>Other Subscribers</b>	<b>Percentage shareholdings</b>	<b>Business Activities</b>
Sin Kwok Lam	9.90%	Individual investor with money lending experience
Tam Yuk Ching, Jenny	4.95%	Individual investor
Choy Sze Chung, JoJo	4.95%	Individual investor
Tsang Kai Kin, Clinton	4.95%	Individual investor
Top Stanton Holdings Limited	4.95%	Investment Holding
Easy Finance Management Limited	4.95%	Investment Holding
Firstcorp Group Limited	1.98%	Investment Holding
Gainyear Holdings Limited	2.97%	Investment Holding
Union Nation Investments Limited	1.98%	Investment Holding
Capital Top Limited	3.96%	Investment Holding
Nutriplus Cosmetics International Limited	24.76%	Beauty services
Win Action Limited	14.85%	Investment Holding
	85.15%	
Power Profit Far East Limited	14.85%	Investment Holding
	<u>100.00%</u>	

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I – General Information to this circular.

Yours faithfully  
By order of the Board  
**Duncan Chiu**  
*Managing Director and Chief Executive Officer*



## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular with regard to the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement contained herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (1) DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and the chief executive of the Company in the shares or underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) *Long positions of Directors' interests in shares of the Company*

Name of director	Number of ordinary shares of the Company held				Total interests	Percentage of issued share capital of the Company
	Personal interests	Family interests	Corporate interests	Other interests		
Deacon Te Ken Chiu, J.P.	10,424,332	2,087,580 <sup>(1)</sup>	1,612,683	2,341,733 <sup>(5)</sup>	16,466,328	15.04%
Tan Sri Dato' David Chiu	1,870,000	-	6,168,800 <sup>(2)</sup>	-	8,038,800	7.34%
Ms. Margaret Chiu	1,100,000	-	-	-	1,100,000	1.01%
Mr. Dennis Chiu	3,520,044	-	2,200,000 <sup>(3)</sup>	1,170,866 <sup>(5)</sup>	6,890,910	6.30%
Mr. Daniel Tat Jung Chiu	2,420,000	-	11,440,044 <sup>(4)</sup>	-	13,860,044	12.66%
Mr. Derek Chiu	44,220	-	-	-	44,220	0.04%
Mr. Desmond Chiu	1,100,000	-	-	-	1,100,000	1.01%
Mr. Duncan Chiu	23,479,658	-	-	7,706,773 <sup>(5)</sup>	31,186,431	28.49%

*Notes:*

- (1) These shares are held by Madam Ching Lan Ju Chiu, wife of Deacon Te Ken Chiu, *J.P.*.
- (2) These shares are held by Rocket High Investments Limited, a company wholly-owned by Tan Sri Dato' David Chiu.
- (3) These shares are held by Cape York Investments Limited ("Cape York"), a company owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu equally.
- (4) Of the 11,440,044 shares, 2,200,000 shares are held by Cape York, and the remaining 9,240,044 shares are held by Gorich Holdings Limited, a company wholly-owned by Mr. Daniel Tat Jung Chiu.
- (5) Details of the interests of directors and chief executives of the Company in the underlying shares of equity derivatives in respect of options granted to them are stated in the "Directors' interests in share options of the Company" section.

The interests of the Directors or chief executive of the Company, and their respective associates, in the underlying shares of the Company which may be issued pursuant to exercise of the share options granted to the Directors by the Company are set out in the paragraph headed "Directors' interests in share options of the Company" below.

*(ii) Directors' interests in share options of the Company*

As at the Latest Practicable Date, the interests of the Directors or chief executive of the Company, and their respective associates, in the underlying shares of the Company which may be issued pursuant to exercise of the share options granted to the Directors pursuant to the Company's share option scheme were as follows:

Name of Grantee	Number of Shares Options		Exercise price <i>HK\$</i>	Grant date	Exercisable period
	Outstanding as at 1/1/2007	Outstanding as at the Latest Practicable Date			
Deacon Te Ken Chiu, <i>J.P.</i>	2,341,733	2,341,733	1.153	21/7/2005	21/7/2005-20/7/2015
Mr. Dennis Chiu	1,170,866	1,170,866	1.153	21/7/2005	21/7/2005-20/7/2015
Mr. Duncan Chiu	3,746,773	3,746,773	1.153	21/7/2005	21/7/2005-20/7/2015
	1,980,000	1,980,000	1.2182	21/4/2006	23/5/2006-22/5/2016
	1,980,000	1,980,000	1.2182	21/4/2006	23/5/2007-22/5/2017
Aggregate for directors	11,219,372	11,219,372			
Aggregate for employees	468,348	468,348	1.153	21/7/2005	21/7/2005-20/7/2015
	825,000	825,000	1.2182	21/4/2006	23/5/2006-22/5/2016
	825,000	825,000	1.2182	21/4/2006	23/5/2007-22/5/2017
	<u>13,337,720</u>	<u>13,337,720</u>			

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

(iii) *Service contracts*

None of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company as at the Latest Practicable Date.

(iv) *Competing interest*

As at the Latest Practicable Date, in so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or is likely to compete with the business of the Group.

**(2) SUBSTANTIAL SHAREHOLDERS' INTERESTS AND PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO**

**SUBSTANTIAL SHAREHOLDERS**

At Latest Practical Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain Directors under the section headed "Directors' Interests", the following shareholders had notified the Company of any interest, directly or indirectly, in 5% or more of the issued share capital of the Company:

Name of Substantial Shareholder	Number of ordinary shares of the Company held	Percentage of issued share capital of the Company
Gorich Holdings Limited ("Gorich") <sup>(1)</sup>	9,240,044	8.44%
Max Point Holdings Limited ("Max Point") <sup>(2)</sup>	7,764,240	7.09%
Rocket High Investments Limited ("Rocket") <sup>(3)</sup>	6,168,800	5.64%
Virtual Dragon International Limited ("Virtual Dragon") <sup>(4)</sup>	5,611,760	5.13%

*Notes:*

- (1) Gorich is wholly-owned by Mr. Daniel Tat Jung Chiu. The interests of Mr. Daniel Tat Jung Chiu in the Company is stated under the section headed "Directors' Interests" above.
- (2) The entire share capital of Max Point is beneficially owned by Mr. Chan Wai Ki.
- (3) Rocket is wholly-owned by Tan Sri Dato' David Chiu. The interests of Tan Sri Dato' David Chiu in the Company is stated under the section headed "Directors' Interests" above.
- (4) These shares are held by Peace View Company Limited ("Peace View"), a wholly-owned subsidiary of Far East Consortium Limited ("FEC"). On 28 March 2001, FEC had entered into a Sale of Shares Agreement with Virtual Dragon to dispose of its entire equity interests in Peace View to Virtual Dragon.
- (5) All interests disclosed above represent long positions in the ordinary shares of the Company.

Save as disclosed above, the Company had not been notified of any other interests or short positions representing 5% or more of the Company's issued share capital at the Latest Practical Date.

**3. LITIGATION**

Neither the Company nor any other members of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

**4. GENERAL**

- (a) The registered office of the Company is at 16/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong and the head office and the principal place of business of the Company in Hong Kong is at Room 1802-04, 18/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.
- (b) The Company's Hong Kong share registrar and transfer office is Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The secretary of the Company as well as the qualified accountant of the Company is Mr. Hung Kwong Lui, who is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the United Kingdom.
- (d) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.